



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

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L. Preston Bryant, Jr.
Secretary of Natural Resources

David K. Paylor
Director

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STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION ORDER BY CONSENT ISSUED TO Virginia Electric and Power Company Registration Number 51019

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 and 10.1-1316, between the State Air Pollution Control Board and Virginia Electric and Power Company, for the purpose of resolving certain violations of the Virginia Air Pollution Control Law and the Regulations for the Control and Abatement of Air Pollution.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Board" means the State Air Pollution Control Board, a permanent collegial body of the Commonwealth of Virginia as described in Va. Code §§ 10.1-1184 and 10.1-1301.
2. "Boilers" means Spreader Stoker Boiler No. 1 and Spreader Stoker Boiler No. 2.
3. "CEMs" means continuous emission monitors installed on the Boilers to measure and record the concentration of Sulfur Dioxide ("SO₂") emitted from the Boilers.
4. "Cold Reserve" means not currently operating, but ready to resume operations at any given time.
5. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Va. Code § 10.1-1183.

6. “Director” means the Director of the Department of Environmental Quality. “Regional Director” means the Director of the Piedmont Regional Office.
7. “Facility” means the Virginia Electric and Power Company electrical power generating station (Registration Number 51019), known as the Hopewell Power Station, located at 107 Terminal Street in Hopewell, Virginia.
8. “lb/mmBtu” and “mmBtu/hr” means one pound per million British thermal units and one million British thermal units per hour, respectively.
9. “Order” means this document, also known as a Consent Order.
10. “Regulations” mean the Regulations for the Control and Abatement of Air Pollution, located in the Virginia Administrative Code (“VAC”), 9 VAC 5-10-10 *et seq.*
11. “Virginia Air Pollution Control Law” means the laws located in the Virginia Code (“Va. Code”) (1950), as amended, Va. Code § 10.1-1300 *et seq.*
12. “Virginia Electric and Power Company” means a corporation certified to do business in Virginia and its affiliates, partners, subsidiaries, and parents.

SECTION C: Findings of Fact and Conclusions of Law

1. Virginia Electric and Power Company owns and operates the Facility known as the Hopewell Power Station, located at 107 Terminal Street in Hopewell, Virginia. The Facility consists of two primary coal-fired, Spreader Stoker Boilers, each with a maximum capacity rating of 391 mmBtu/hr.
2. The Facility is a major stationary source which is subject to the regulations found in 9 VAC 5-80-50 *et seq.*
3. The Facility operates in accordance with a PSD Permit dated March 26, 2001, as amended November 4, 2002, and a Title V Permit dated November 25, 2002 (jointly the “Permits”). The Permit conditions referenced in this Order are of those contained in the Title V Permit.
4. During the period between December 31, 2001, and April 1, 2007, Virginia Electric and Power Company placed the Facility in Cold Reserve. After the Facility resumed operations, CEMs recorded data of SO₂ emissions.
5. On June 26, 2007, Virginia Electric and Power Company notified the DEQ of multiple malfunctions of the control equipment on the Boilers which caused the Boilers to exceed the 0.162 lb/mmBtu short-term National Ambient Air Quality Standard for SO₂. This

emission limit is based on a 3-hour average. The malfunctions occurred between April 7, 2007, and June 26, 2007.

6. This notification did not meet the notification requirements set forth in Permit condition XI F and 9 VAC 5-20-180 C, which require that a source notify the DEQ of any malfunction or equipment failure within 4-daytime business hours of discovery.
7. On June 28, 2007, Virginia Electric and Power Company provided SO₂ emission data which indicated that the Boilers exceeded the SO₂ 0.162 lb/mmBtu, emission limits of the Permit. The CEMs recorded fifty-seven (57) excess emission events for SO₂ during the period between April 7, 2007, and June 26, 2007, for Spreader Stoker Boiler No. 1 and fifty-five (55) excess emission events for SO₂ during the period between April 10, 2007, and June 26, 2007, for Spreader Stoker Boiler No. 2. These excess emission events are in violation of the Permit condition III A 10 and 9 VAC 5-50-280.
8. On November 1, 2007, the DEQ issued a Notice of Violation ("NOV") Number 07-08-PRO-401 citing the following violations:
 - a. Failure to comply with the short-term SO₂ emission limits of 0.162 lb/mmBtu, as required by Permit condition III A 10; and
 - b. Failure to notify the DEQ within 4-daytime business hours of any air pollution control equipment failure or malfunction that may cause excess emissions for more than one hour, as required by Permit condition XI F.
9. Virginia Electric and Power Company and DEQ agreed that improved training procedures, monitoring and recordkeeping requirements, as required in Appendix A of this Order, will better ensure that the Facility operates in compliance with the SO₂ emission limits set forth in its Permits.

SECTION D: Agreement and Order

Accordingly, the Board, by virtue of the authority granted it in Va. Code §10.1-1316(C), orders Virginia Electric and Power Company, and Virginia Electric and Power Company voluntarily agrees, to perform the actions described in Appendix A of this Order.

In addition, the Board orders Virginia Electric and Power Company, and Virginia Electric and Power Company voluntarily agrees, to pay a civil charge of \$41,966 within 30 days of the effective date of the Order in settlement of the violations cited in this Order. Payment shall be made by check payable to the "Treasurer of Virginia" and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

Such payment shall include the Federal Tax Identification Number for the Facility.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of Virginia Electric and Power Company, for good cause shown by Virginia Electric and Power Company, or on its own motion after notice and opportunity to be heard.
2. This Order only addresses and resolves those violations specifically identified herein, including those matters addressed in the Notice of Violation issued to Virginia Electric and Power Company by the DEQ on November 1, 2007. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility as may be authorized by law; or (3) taking subsequent action to enforce the Order. This Order shall not preclude appropriate enforcement actions by other federal, state, or local regulatory authorities for matters not addressed herein.
3. For purposes of this Order and subsequent actions with respect to this Order, Virginia Electric and Power Company admits the jurisdictional allegations herein. Virginia Electric and Power Company neither admits nor denies the factual findings and conclusions of law contained herein.
4. Virginia Electric and Power Company consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Virginia Electric and Power Company declares it has received fair and due process under the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, and the Virginia Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to enforce this Order.
6. Failure by Virginia Electric and Power Company to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.
7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.

8. Virginia Electric and Power Company shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Virginia Electric and Power Company shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Virginia Electric and Power Company shall notify the DEQ Regional Director in writing when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:
- a. the reasons for the delay or noncompliance;
 - b. the projected duration of any such delay or noncompliance;
 - c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and
 - d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director in writing within 24 hours of learning of any condition above, which the parties intend to assert will result in the impossibility of compliance, shall constitute as a waiver of any claim of inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
10. This Order shall become effective upon execution by both the Director or his designee and Virginia Electric and Power Company. Notwithstanding the foregoing, Virginia Electric and Power Company agrees to be bound by any compliance date, which precedes the effective date of this Order.
11. This Order shall continue in effect until the Director or the Board terminates the Order in his or its sole discretion upon 30 days written notice to Virginia Electric and Power Company. Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Virginia Electric and Power Company from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.
12. By its signature below, Virginia Electric and Power Company voluntarily agrees to the issuance of this Order.

And it is so ORDERED this day of 10th July, 2008

Melanie D. Davenport
Melanie D. Davenport, Enforcement Division Director
Department of Environmental Quality

Virginia Electric and Power Company voluntarily agrees to the issuance of this Order.

By: Pamela F. Faggett
Date: 7/2/08

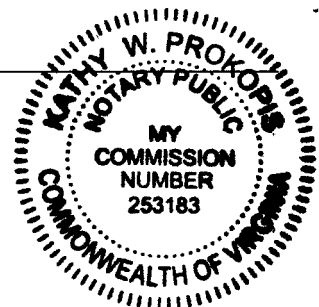
State, City, and County of HENRICO

The foregoing document was signed and acknowledged before me this 2ND day of
JULY, 2008, by PAMELA F. FAGGETT, who is the
(name)

VP & CHIEF ENVIRONMENTAL OFFICER of the Virginia Electric and Power Company,
(title) on behalf of the Corporation.

Kathryn W. Prokopis
Notary Public

My commission expires: SEPTEMBER 30, 2011



APPENDIX A

Virginia Electric and Power Company shall:

1. **Within 30 days of the effective date of this order** Virginia Electric and Power Company shall submit documentation of its training program on permit notification requirements and shall submit such training records to DEQ. The training program shall incorporate a schedule for training new employees and updating training for current employees.
2. **Within 30 days of the effective date of this order** Virginia Electric and Power Company shall meet the following monitoring and recordkeeping requirements (in addition to those in the current Permits):
 - a. Grit screen* inspections to assess physical wear shall be performed every day of operation. Virginia Electric and Power Company shall keep a daily log of all inspections.
 - b. Grit screens shall be replaced every 31 operational days or sooner if daily inspections indicate otherwise. Virginia Electric and Power Company shall keep a log of all replacements.

All logs and records maintained for each of the grit screen inspections replacements shall be made available to the DEQ upon request.

3. By September 30, 2008, Virginia Electric and Power Company shall incorporate the monitoring and recordkeeping requirements of item 2 above in a Title V Permit request to modify.

* Grit screens are the final filtering screen for the lime slurry before it mixes with the ash for supply to the atomizers.

Documents to be submitted to the Department, other than the civil charge payment described in Section D of the Order, shall be sent to:

Charles "Boots" King
Piedmont Regional Office
Department of Environmental Quality
4949-A Cox Road
Glen Allen, Virginia 23060